

President Barack Obama spent much of his first State of the Union talking about domestic issues. And he implored Congress to put politics and partisanship aside and get to work for the American people.

Unlike many such addresses, Obama did not provide Congress with a laundry list of programs he wants to start. He took blame for not communicating the health care proposal properly. But he made it clear that he shouldn't be on the hook for the high deficits he inherited from the Bush administration.

Article Tab : Vice President Joseph Biden and U.S. Speaker of the House Rep. Nancy Pelosi (D-CA) look on as U.S. President Barack Obama speaks to both houses of Congress during his first State of the Union address at the U.S. Capitol on January 27, 2010 in Washington, DC. Since taking office a little over a year ago, Obama's approval ratings have dropped significantly according to recent polls.

Vice President Joseph Biden and U.S. Speaker of the House Rep. Nancy Pelosi (D-CA) look on as U.S. President Barack Obama speaks to both houses of Congress during his first State of the Union address at the U.S. Capitol on January 27, 2010 in Washington, DC. Since taking office a little over a year ago, Obama's approval ratings have dropped significantly according to recent polls.

Mostly he reiterated his priorities in a number of key areas and asked for new initiatives on the economy and for education.

ECONOMY/JOBS

What Obama said: "Jobs must be our number one focus in 2010, and that is why I am calling for a new jobs bills tonight...I'm proposing that we take \$30 billion of the money Wall Street banks have repaid and use it to help community banks give small businesses the credit they need to stay afloat..let's also eliminate all capital gains taxes on small business investment; and provide a tax incentive for all businesses, large and small, to invest in new plants and equipment."

Analysis: Although he emphasized jobs he gave few specifics about what he wanted in a new jobs bill. His newest economic initiatives expanded his concentration on expanding credit to business and leaning on the banks to do the right thing. His best laugh line of the night was when he said everyone hated the bank bailout, much like a root canal. In the image of Sen. John McCain's straight talk he made it clear to lawmakers that he inherited the huge deficit the nation is facing and yet pledged to freeze discretionary spending for three years and work to bring down the debt.

Reaction: "I think the best way Congress can stimulate industry is to get government out of the way, cut taxes and reduce the size and scope of government. From what I heard he's going to tax one business to subsidize another to then loan to small businesses."- Rep. Ken Calvert, R-Corona.

"I was mostly impressed by the economic portion of his speech, but I didn't get a lot of reassurance about job creation. "The concepts are fantastic - high speed rail, greening the country - but how do we get there from here? I wanted more specifics, yet I'm at a loss for exactly what I wanted to hear." – Bev Haut, Aliso Viejo.

"I liked his let's take \$30 billion of TARP money to give it to small businesses. The crunch is with credit to small businesses. I liked that he said we'll take no capital gains on small businesses if you grow. It's access to credit, which small businesses need and it's incentives to go out there and get it done." – Rep. Loretta Sanchez, D-Santa Ana.

HEALTH CARE

What Obama said: "After nearly a century of trying, we are closer than ever to bringing more security to the lives of so many Americans...if anyone from either party has a better approach that will bring down premiums, bring down the deficit, cover the uninsured, strengthen Medicare for seniors, and stop insurance company abuse, let me know...Here's what I ask of Congress....Do not walk away from reform... Not when we are so close. Let us find a way to come together and finish the job for the American people."

Analysis: Obama made it clear that he knew this was not a political winner of an issue and took blame for not explaining it more clearly to the American people. And he gave a bit of an olive

branch to the Republicans; saying let's let "temperatures cool" and take another look at the plan. In this election year that is unlikely to happen. But the president signaled what is likely – that health care reform won't be settled quickly. What he did not suggest is what many believe could well be the end result – a much scaled-back version of the 2,000-page plus bills that passed the Senate and the House.

Reaction: "I'm shocked that he did this but he doubled-down tonight and said that he's committed to keep doing all of his failed policies and bad ideas of the last year. 'I'm going forward with my government-run health care.' " Rep. John Campbell, R-Irvine.

Sherrie Kaplan, co-executive director of the Health Policy Research Institute at UC Irvine, said the yearlong debate should show Americans that the cost of doing nothing is high. "The American people still don't understand that we simply cannot afford the health care system we have," she said.

FOREIGN POLICY

What Obama said: "As we take the fight to All Qaeda, we are responsibly leaving Iraq to its people... We will have all of our combat troops out of Iraq by the end of this August...At April's Nuclear Security Summit, we will bring 44 nations together behind a clear goal; securing all vulnerable nuclear materials around the world in four years, so that they never fall into the hands of terrorists..

Analysis: Obama clearly underplayed any emphasis on foreign issues. He did not mention the planned closure of the detainee camp at Guantanamo Bay. He reiterated actions already taken in ending the Iraq war and sending more troops into Afghanistan, something for both ends of the political spectrum.

Reaction: "We need to cut back on our international involvements, and he's a liberal interventionist, in spite of promising to get all troops out of Iraq. He failed to challenge the Israel lobby." David Epstein, Laguna Beach, who voted for Libertarian Bob Barr in 2008.

"As it relates to Iraq and Afghanistan I think most of us believe he's mostly doing the right thing. I do have some problems about him saying he is for free trade agreements with South Korea and possibly Colombia without any evidence of him pushing that. – Rep. Ken Calvert, R-Corona.

IMMIGRATION

What Obama said: "And we should continue the work of fixing our broken immigration system – to secure our borders, enforce our laws and ensure that everyone who plays by the rules can contribute to our economy and enrich our nation."

Analysis: Obama talked about immigration in the context of a section on diversity. He didn't specifically challenge the Congress to pass a comprehensive immigration bill although proponents will take heart in his mentioning of it at all. But it will not be lost on lawmakers that he mentioned border security first. Given the political challenges with health care and the continuing difficult economy, it's going to take a major turnaround for an immigration overhaul to get done anytime soon.

Reaction: "His proposal for amnesty for those here illegally would ... both increase illegal immigration and it would drive up unemployment." Rep. Ed Royce, R-Fullerton.

"I believe if he can't get a win on health care that he's too weak to get through such an emotional issue as immigration." Rep. Loretta Sanchez, D-Santa Ana.

EDUCATION

What Obama said: "Instead of funding the status quo, we only invest in reform – reform that raises student achievement, inspires students to excel in math and science, and turns around failing schools that steal the future of too many young Americans....this bill will finally end the unwarranted taxpayer-subsidies that go to banks for student loans. Instead, let's take that money and give families a \$10,000 tax credit for four years of college and increase Pell Grants."

Analysis: This is one area where Obama is likely to get bipartisan support. His idea of funding only successful schools builds on the Bush administration's No Child Left Behind initiative. As in other areas, the House has already acted on a bill to beef up community colleges and Obama called on the Senate to do the same.

Reaction: "I definitely think the President is right to focus on the number of college graduates (the) U.S. is producing - the State of California is going to be short by a million educated people in our workforce only in a number of years," Jesse Cheng, a UC Irvine Asian-American studies student who will become the student representative on the Board of Regents this summer.

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